

# From niche to volume with integrity and trust

## CASE STUDY FACT SHEET

# Røros Meat - Norway

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## Historical development

Røros Meat is located in Røros, which is a small town in the mountain region of the eastern part of Southern Norway. Røros was historically a mining town and is on the UNESCO's World Heritage List. Røros Meat, established in 2003, is a private limited company. The local meat processing company emphasize local and traditional products. Since 2011, the company has produced organic hamburgers for the retail chain Rema 1000. Røros Meat has developed organic products



Lamb roll from Røros Meat

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*“The growth strategy includes to merge with Røros Abattoir and to process all organic meat”*

*Røros Meat*

based on own recipes. It is their product with their

own name on the package. Additionally they use the organic label, the keyhole label and the Røros brand on these packages. Its main activity however, is to process non-organic and traditional products for the hotel, restaurants and catering market in the region. Regional organic farmers were critical to establish the meat

processing company. The regional organic farmer cooperative, Økomat Røros, was a driving force for establishing the company. Shareholders, when established, were five private actors, among them Røros Abattoir, Økomat Røros and Røros Dairy. In 2007, when the meat company faced economic challenges, Røros Abattoir bought new shares in the company and today the abattoir owns 60 % of the shares. The abattoir realizes that it has to process meat as part of their growth strategy, and the plan is to merge with Røros Meat in the future. Røros Meat has experienced a steady growth in volume since established. The new production of organic hamburgers to the retail chain REMA 1000 made it possible to utilize organically produced meat, increase production volume further, and thus to grow. Nevertheless, profitability is still at a low level, and the organic production to Rema 1000 has not increased profitability. A main goal for Røros Abattoir and Røros Meat is to process all meat slaughtered at the abattoir. Today Røros Meat processes only 12 percent of the total volume. Røros Meat sells about 80 percent of its products to the HoReCa market regionally, and about 20 percent to Rema 1000. The goal is a 50-50 share of sales to the HoReCa and retail markets. About 80 percent of the organic products go to the Oslo area, and the rest to the regional market. Growth strategies for organic products include increasing production of organic products for retail chains in the Oslo area where the largest group of people are located who buy organic food, but also to access other retail chains for their local non-organic products.

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**Legal form:**

Ltd Company

**Date of foundation:**

2003

**Homepage:**

www.roroskjott.no

**Logo:****Turnover:**

From initially 0.2 million € in 2001 to 2.1 million €, in 2013.

**Product range:**

Local and traditional products based on conventional and organic meat

**Number of Employees:**

5-6

**Distribution channels:**

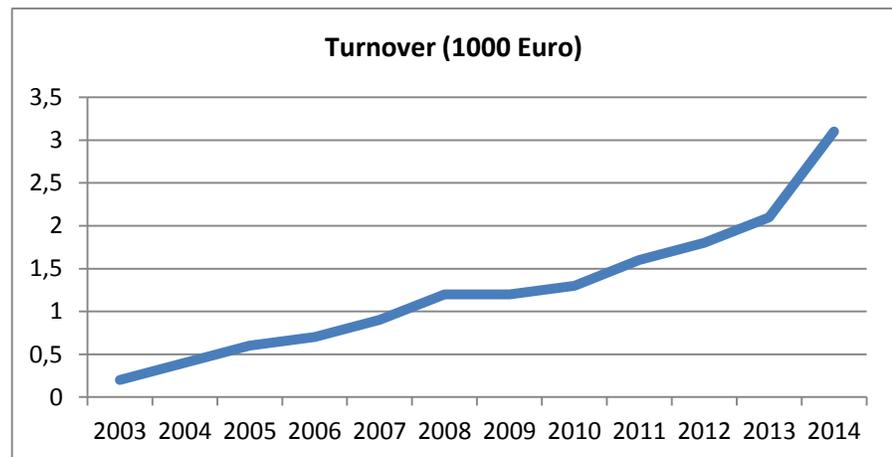
Retail chain Rema 1000 for organic products, hotel, restaurants and catering for conventional local food

**Google Hits:**

4540 (April 2015)

**Chain organization**

It is the organic value chain of Røros Meat that is the focus of the Healthy Growth project. Regional farmers, organised in Økomat Røros, produce organic meat. They deliver the cattle to Røros Abattoir. Røros Meat is responsible for processing the organic meat, but it does not have the capacity to do this. Therefore, the meat is sent directly from the abattoir to Rendalen Meat to be cut, and then to the processor Smedstuen for processing meat into organic hamburgers. Røros Meat organises transport from Smedstuen to Rema 1000 in Oslo. Part of the production (about 20 percent) returns to Røros Meat and is then sent to Rema 1000 shops mainly in Trondheim. The strategy process initiated by Røros Abattoir in 2012 resulted in a big change in the strategy of the two firms. Now they have established common goals and strategies and have established a common administration. During 2014 they also developed a new and common profile. There is now a close relationship between Røros Meat and the Abattoir. Røros Meat has also established a close relationship with a reindeer meat processor in the region, where this processor own shares in Røros Abattoir. Together with the abattoir, they hire each other's employees when. Røros Meat has further established a close relationship with some customers, in particular with some local and regional hotels and restaurants where, for example, new products are tested. Apprentices from some hotels stay at Røros Meat for periods of time to learn meat cutting and processing. Both Røros Meat and Røros Abattoir need new production premises for further growth. This is also a requirement of Røros Food, the sale and marketing organisation of food from Røros. Members have to process food in the region to use the Røros brand. Røros Meat has a deadline to find locations for processing in the region.

**Figure 1: Table turnover (2003-2014)**

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